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Chairman: Mr. Brauzzi (Vice-Chairman) ..... (Italy)

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In the absence of the Chairman, Mr. Brauzzi (Italy), Vice-Chairman, took the Chair.

The meeting was called to order at 3.20 p.m.

Agenda item 97: Macroeconomic policy issues *(continued)*

(c) Trade and development *(continued)* (A/54/15 (Parts I-V), A/54/94-S/1999/518, A/54/304, A/54/392, A/54/486 and A/54/529)

1. **Mr. Kumalo** (South Africa) introduced the report of the Fourth Meeting of Government Experts from Landlocked and Transit Developing Countries and Representatives of Donor Countries and Financial and Development Institutions (A/54/529), held at Headquarters from 24 to 26 August 1999, which had been attended by experts from landlocked developing countries, thanks to a generous financial contribution from the Government of Japan. The experts had pointed out at the meeting that landlocked developing countries and neighbouring transit countries should cooperate more closely and make bilateral, regional and international agreements to improve transit systems and facilitate regional and international trade. The experts had recognized that regional economic cooperation groups played a useful role, and they had called on the international community to strengthen the financial and technical capacity of the secretariats of those groups to enable them to serve their member States more effectively. The experts had noted that landlocked and transit developing countries needed to increase public capital investment to improve their roads and railways; however, in view of their serious economic problems, the international community should provide them with more financial support.

2. All the experts had agreed that the harmonization, simplification and standardization of transit procedures and documents were essential to improving transit systems. They had noted that landlocked and transit developing countries that had made adjustments to their trade and transport management practices had been able to achieve a significant reduction in their overall transport costs, which had encouraged them to pursue more ambitious programmes of cooperation and reform. The experts had also agreed that the technical cooperation programmes of the United Nations Conference on Trade and Development (UNCTAD) should continue to accord due priority to landlocked and transit developing countries, particularly in the regions that had not yet benefited from such programmes.

3. The concerns of those countries should be adequately taken into account in the preparations for the tenth session of UNCTAD, the Third United Nations Conference on the Least Developed Countries, the high-level intergovernmental event on financing for development and other relevant intergovernmental meetings and conferences. It was also important to strengthen the Office of the Special Coordinator for Least Developed, Landlocked and Island Developing Countries to enable it to fulfil its mandate effectively.

4. **Mr. Dausá Céspedes** (Cuba) said that he endorsed the statement made by the representative of Guyana on behalf of the Group of 77 and China. It was impossible to maintain that globalization offered benefits and opportunities to the developing countries when in fact they were facing discriminatory and protectionist practices under the guise of ecological and social objectives, and when it was the developed countries that were making the rules and breaking them every day by using selective protectionism.

5. The recent financial crisis had adversely affected the trade of most developing countries. The plummeting of commodity prices had considerably reduced the developing countries' export earnings, while the developed countries had profited from the situation. Since the developing countries were the ones that suffered directly from the effects of international crises, commodity prices needed to be set in a transparent, stable and appropriate way. The international community should support the efforts of developing countries to modernize and diversify their commodities in order to augment their earnings and increase their competitiveness. The multilateral trading system must not continue to widen the gap between the rich and poor countries; instead, it should promote the developing countries' economic growth and development on the basis of equity. To that end, the international community should help those countries to become part of the global economy. The developed countries should fulfil their commitments under the Uruguay Round and grant special and differential treatment to the developing countries.

6. As a developing country, Cuba hoped that the tenth session of UNCTAD would duly address the developing countries' main concerns so that they could participate effectively in the new international

economic environment and in future multilateral trade negotiations. His delegation noted with great concern the developed countries' attempts to introduce new conditionalities into trade and incorporate social and labour elements in the agendas of future trade negotiations.

7. There could be no talk of liberalized trade when sanctions and coercive measures were imposed on developing countries with no respect for international law or the rules of the multilateral trade system. The imposition of the Helms-Burton Act against Cuba was an unfortunate example of the violation of the World Trade Organization (WTO) agreements and the commitments undertaken by the United States of America in the United Nations. The international community had expressed regret at the coercive economic measures applied by the United States against Cuba for more than four decades. For the eighth time, the General Assembly had adopted a resolution calling for an end to the economic, financial and trade embargo against Cuba, which violated the rules of international law and the principles of free trade and navigation.

8. Despite the blockade, Cuba was trying to gain a position in the global economy and, in particular, in the economy of the Latin American and Caribbean region. It had therefore reached economic partnership agreements with foreign enterprises and had signed bilateral agreements for the protection and promotion of investments. It also belonged to the Latin American Economic System, the Association of Caribbean States and the Latin American Integration Association (ALADI).

9. Neoliberal globalization presented great challenges to the developing countries. Should an increasingly equitable, secure, non-discriminatory, transparent and predictable trade system not be established, the serious problems of external debt, trade inequalities and technological gaps between North and South would persist.

10. **Mr. Yépez** (Ecuador), after endorsing the statement made by the representatives of Guyana and Mexico on behalf of the Group of 77 and China and the Rio Group, respectively, said that the forthcoming Third Ministerial Conference of WTO and the tenth session of UNCTAD would entail a thoroughgoing analysis of the integration of the developing countries into the multilateral system and of the need to strengthen it with rules promoting free trade and enabling those countries to take advantage of the opportunities afforded by globalization in an equitable environment.

11. Ecuador, the first country to accede to WTO, felt that the new round of WTO negotiations, which would include the agricultural sector, would help to implement the Uruguay Round agreements and consolidate the rules and trends of a productive and efficient international trade. Trade liberalization and the opening of markets could not be separated from a country's degree of development because the most vulnerable States, like Ecuador, would confront new unfair situations in an increasingly competitive and less cooperative world. Special and differential treatment for developing countries should be maintained, and the WTO dispute settlement system should be strengthened.

12. Ecuador, which had a strong calling to integration, had reinforced the subregional integration process with its Andean partners, had signed a preferential tariff arrangement with Brazil and had extended the partial scope agreements with the other countries of the Southern Common Market (MERCOSUR). It also participated in the process of establishing a free trade zone for the Americas. Moreover, it had made progress in diversifying its exports, thanks to its preferential access to the European Union market and the implementation of investment promotion programmes. It had also joined the Pacific Economic Cooperation Council.

13. His delegation, which regarded UNCTAD as the main United Nations forum for matters relating to trade, development, finance, investment and technology, welcomed that body's support to the developing countries in the preparations for the new round of multilateral trade negotiations. He expressed the hope that the relevant General Assembly resolution would help strengthen the multilateral trade system and free access to international markets in a framework of justice and equity.

14. **Mr. Svetogorsky** (Uruguay), speaking on behalf of the MERCOSUR countries, namely, Argentina, Brazil, Paraguay and Uruguay, and the associated countries Bolivia and Chile, stressed the economic importance of MERCOSUR as a key promoter of trade and investments. The subregion's economic growth index had reached its highest level in 20 years, and

inflation was the lowest in 15 years. The MERCOSUR countries had advanced the economic integration process and expanded trade, becoming a pole of attraction for external investment in the region. MERCOSUR had also contributed to trade expansion in the other Latin American countries.

15. It was fitting to examine the serious impact of the drop in international commodity prices on the developing countries and how the trend had benefited the industrialized countries. The fall in prices of commodities and manufactures in Latin America had produced heavy losses to the economies of the region. Nonetheless, the MERCOSUR countries had fought hard to become an integral part of the global economy.

16. The time had come to re-examine policies and responsibilities through a shared effort. The international community had the obligation to eliminate once and for all the external obstacles hindering trade relation and preventing developing countries from gaining free access to markets. The MERCOSUR countries believed that the efforts undertaken to liberalize trade would not achieve their goals if protectionist mechanisms such as excessively high customs duties and tariff restrictions continued to be created.

17. The MERCOSUR countries would make every effort to integrate the issue of agriculture into the agenda of the forthcoming WTO trade negotiations, with the hope of doing away with the unjust discrimination in the agricultural sector in international negotiations for over 50 years. There was no reason why the developing countries, whose growth was linked to agricultural production, should continue to face barriers and discrimination in order to gain access to markets in the developed countries, while tariffs and non-tariff measures for industrial products, capital goods and high technology products were reduced to a minimum or eliminated. Nor was there any reason why the developing countries' share in the global export of agricultural products should continue to decline as a result of the policies pursued by the industrial countries, which refused to apply to agriculture the liberalization theories that applied to other world trade sectors. The MERCOSUR countries therefore believed that the central issues in international trade must be regulated by the principal guidelines that had emerged from the Uruguay Round and that agriculture should be included in the new round of WTO trade negotiations.

18. The MERCOSUR countries considered that the new issues to be dealt with in future multilateral negotiations should be more carefully thought out, and hoped that in those negotiations, many of which were of interest to the MERCOSUR countries, a global balance could be reached. If the political will to achieve those objectives was not present, the possibility of a productive new round of trade negotiations would be undermined. The road would not be easy; however, every effort should be made to promote cooperation and ensure that future generations enjoyed a prosperous new millennium.

19. **Mr. Semakula Kiwanuka** (Uganda), speaking on behalf of the States parties to the Treaty for East African Cooperation, namely, Kenya, the United Republic of Tanzania and Uganda, said that his delegation associated itself with the statement made by Guyana on behalf of the Group of 77 and China and that, in East Africa, it was recognized that trade offered one of the most direct avenues for the mobilization of resources for growth and development. In that context, the trend towards trade liberalization should continue, with a positive and deliberate bias to the developing countries' needs. The formulation of trade policies at all levels should be complemented by similar actions in the realms of development cooperation, investment and finance. Particularly important were cooperation and coordination between the multilateral institutions dealing with those issues and the United Nations; in that regard, he welcomed the close cooperation being fostered by the Secretary-General of UNCTAD with WTO and the Bretton Woods institutions, which would make it possible to ensure that poverty eradication and a broader approach to development would become part of their work.

20. East Africa was reactivating its age-old cooperation, in the firm belief that its future would be brighter as an economic bloc, a unified market and a single investment destination. The pooling of resources would allow the region to take better advantage of its economic potential and make it easier to address problems stemming from high transport costs, small markets, a fragmented resource base, an inadequately developed infrastructure and human resource constraints, all of which hampered development. That approach was consistent with the region's commitment to building an African economic community and would contribute to a speedier integration into the global economy.

21. The Secretary-General's report on international trade and development (A/54/304) highlighted the developing countries' problems in relation to genuine market access; the unbalanced nature of WTO rules in areas such as intellectual property rights and the use of industrial subsidies, together with the inadequacy of special and differential treatment for the developing countries; and the weakness of human and institutional capacities, in addition to the lack of financing, which had not permitted many developing countries to take full advantage of the benefits of the WTO system. Those problems highlighted not only the developing countries' commitment to the multilateral trading system but also their frustration with that system.

22. The prospects for expansion at the conclusion of the Uruguay Round had proved to be an illusion for most developing countries. According to the trade and development report, since UNCTAD made its assessment of globalization in 1997, conditions in the developing world had deteriorated drastically. The few bright spots, mainly in East Asia and Latin America, had been dimmed, and the hoped-for turning point in Africa had not been reached.

23. It was to be hoped that the WTO Ministerial Conference in Seattle would find concrete solutions to ensure the effective participation of developing countries in the multilateral trading system as equal partners. The areas in which steps needed to be taken were well known; what was required was to muster the political will to put them into practice, starting with the full implementation of the Uruguay Round agreements.

24. The tenth session of UNCTAD could offer an opportunity for further reflection on the progress that had been made in cooperation for development in the context of globalization and interdependence and the rapid advances in science and technology; it was therefore necessary for the international community to provide UNCTAD with sufficient resources to fulfil its mandate. It was to be hoped that the Conference's contribution to the Third United Nations Conference on the Least Developed Countries and the forthcoming review of the United Nations New Agenda for the Development of Africa in the 1990s would be fully supported.

25. **Mr. Franco** (Colombia), associating his delegation with the statements made by the representative of Guyana on behalf of the Group of 77 and China, by the representative of Mexico on behalf of the Rio Group and by the representative of Australia on behalf of the Cairns Group, said that the objectives of the Strategic Export Plan, which sought to consolidate trade as the engine of the Colombian economy, were to increase and diversify exports of goods and services with higher value added, promote foreign investment in fields that directly or indirectly encouraged exports, expand productivity in the export sector to make it more competitive and develop a truly export-oriented culture.

26. Despite his Government's considerable efforts to adjust the economy to the new trends, external and internal problems had unfortunately affected the export sector, investment, employment and, in general, social and economic development. Nevertheless, Colombia had fulfilled all its trade commitments, respecting them despite the difficulties or adverse external circumstances.

27. A clear political message must be sent to the forthcoming WTO Ministerial Conference in Seattle and the tenth session of UNCTAD in Bangkok, the main points of which were that it was essential for the international trade system to rely on a healthy economic and financial environment in order to function properly, and that, more than a renewal of commitments and principles, there was a need for all States to effectively apply those that already existed in order to establish truly free and open trade systems based on firm, fair, non-discriminatory and transparent rules.

28. It was also necessary to abolish tariff barriers, such as tariff peaks, subsidies — especially those applied to commodities — and the use of antidumping rights and non-tariff barriers. As long as such distortions continued on international markets, it would be necessary to preserve special and differential treatment for developing countries so that they might share equitably in the dynamics of economic, financial and trade globalization. Technical assistance programmes were needed to make small and medium-sized enterprises in the developing countries more competitive; technology transfer in favourable conditions was therefore essential.

29. Bearing in mind the increasing importance of electronic commerce, a field in which Colombia was a regional leader, it would be necessary to help developing countries to upgrade their capacities. The role of UNCTAD in promoting development should

continue, and its programmes of assistance to developing countries should be strengthened; hence cooperation between UNCTAD, the International Monetary Fund (IMF), the World Bank and the specialized agencies of the United Nations should be used more effectively in favour of international trade and sustainable development.

30. In conclusion, his delegation trusted that deliberations on that important issue would lead to the adoption by the General Assembly of a resolution that reflected the actual situation of international trade and transmitted a clear and concise message from the international community to the WTO and UNCTAD discussions.

31. **Mr. Hanif** (Pakistan) said his delegation associated itself with the statement made by the representative of Guyana on behalf of the Group of 77 and China and noted that the Secretary-General's report on trade and development had pointed out that the bias of the world economic system was working against the developing countries. Until those imbalances were corrected, the developing countries would continue to be left out of the globalization process.

32. No country could achieve economic growth without international trade; however, it was equally true that trade disputes and protectionism had led to major world crises. The multilateral institutions should focus more on achieving a balance between countries than on their own efficiency; otherwise, they would help maintain an unfair trading system.

33. It was becoming increasingly evident that the distribution of rights and obligations emanating from the Uruguay Round had not been favourable to the developing countries, which were suffering from the negative consequences of globalization without enjoying its benefits. The imbalance between developed and developing countries was reflected in the maintenance of protectionism in the sectors of interest to some countries, while others were expected to continue to take steps towards liberalization. Under such circumstances, where the developing countries had been unable to obtain the expected benefits, the very stability of the system could be at risk.

34. Future WTO negotiations should primarily focus on development issues. Trade liberalization was not an end in itself, but a means to promote development. Trade liberalization should be carried out in stages, in accordance with the capacities and levels of development of the various countries.

35. The next round of trade negotiations should bear in mind the urgent need to uphold the principle of special and differential treatment for the developing countries and focus on trade liberalization in specific sectors and products of interest to those countries, together with incorporating the following concepts: greater discipline with regard to subsidies and the elimination of protectionist measures; strict measures to ensure that the anti-dumping provisions were not used unfairly against the developing countries; reduction of tariffs, especially peak agricultural and industrial tariffs on products of major interest to the developing countries; ensuring the integration of developing countries on equitable terms; and ensuring the effective participation of developing countries in dispute settlement processes.

36. The developed countries should not make their decisions subservient to short-term gains. Rather, they should pursue the goal of universal prosperity through equity and special provisions for the developing countries in all sectors, particularly trade. Wider and more equitable economic growth would not only create larger markets and greater economic opportunities, but also revive faith in an open, equitable and rule-based trading system.

37. **Mr. Mazhukhou** (Belarus) said that his country was among the top 10 countries in the world in terms of the share of trade volume in its gross domestic product, and that its full integration into the world economy and the international trading system, including accession to the WTO agreements, was one of the aims of its sustainable development strategy. In that context, Belarus welcomed the support provided to it by WTO, UNCTAD, the World Intellectual Property Organization (WIPO), the Joint Vienna Institute, the Governments of Switzerland, the United Kingdom and other WTO members and the European Commission in preparing for the negotiations for accession to WTO.

38. Belarus was interested in achieving consensus on the agenda of the next WTO Ministerial Conference and would also support the decisions to be taken in Seattle, including the launching of a new round of multilateral trade negotiations and the adoption of the European Union's proposal with regard to the effective participation of observer countries in the process of accession to WTO.

39. In view of the potential impact of the new round of multilateral trade negotiations on the future of the international trading system as a whole, the General Assembly should call on the members of WTO to take into account in those negotiations the interests of all States Members of the United Nations. Unfortunately, the activities of WTO as a multilateral agency and the system of multilateral trade agreements did not fully respond to the specific interests and justified concerns of many developing countries and countries with economies in transition.

40. For those reasons, most small and medium-sized countries with developing and transitional economies were unable to utilize the WTO agreements and mechanisms to meet their trade concerns and development needs. Not only the countries that were still in the process of accession to WTO, but also the new members of WTO, including some of its founders, were facing such problems.

41. The attainment of true universality in the multilateral trading system, including universal membership in WTO, should be one of the highest priorities in the political dialogue within the United Nations and UNCTAD, as well as in WTO negotiations. The proclaimed principles of non-discrimination in international trade, more open market access, predictability of trade rules, equitable competition, encouragement of sustainable development strategies and economic liberalization must become truly universal.

42. His delegation shared the views expressed in the general debate by the delegation of the Russian Federation with regard to the need to eliminate the difficulties, especially artificial ones, in the process of accession to WTO, and by the delegation of China in that negotiations on accession to WTO should be held on the basis of a balance of rights and responsibilities.

43. An analysis of the experience of the founders of the General Agreement on Tariffs and Trade (GATT) and WTO showed that the liberalization of access to the domestic markets of WTO members should be accomplished in stages, in a determined sequence and parallel to an increase in domestic demand, to the strengthening of the competitiveness of goods and services from those countries in external markets and to the increase in the volume of their export earnings.

44. The participation of countries that were acceding to WTO in various regional and subregional processes should be considered in a positive way as an attempt by the developing countries and those with economies in transition to increase their competitiveness in order to adapt to the dynamics of the multilateral trade system. At the same time, new regional, interregional and other initiatives by WTO members aimed at achieving more advanced economic integration should also be taken into account.

45. Belarus aspired to become a member of WTO as a culmination of the process of integration with the Russian Federation and of the evolution of the five-member customs union and the free trade zone established within the Commonwealth of Independent States. It also hoped to participate in other subregional and regional economic integration processes in Europe and expand its economic and trade relations with all interested countries.

46. The attainment of true universality and transparency in the multilateral trading system and universal membership in WTO should be considered at the tenth session of UNCTAD and should be included in the agenda of the Millennium Assembly.

47. The General Assembly should recommend to the members of WTO that they consider broadening the access of all interested Governments to the WTO dispute settlement mechanism and integrated database as a measure to increase transparency among Governments and strengthen civil society's confidence in WTO.

48. The universality and transparency of WTO could also be enhanced if the organization used the six official languages of the United Nations, including Arabic, Chinese and Russian.

49. **Mr. Kittikhoun** (Lao People's Democratic Republic), speaking on behalf of the group of landlocked developing countries, said that the basic problems of those countries were the lack of access to the sea, remoteness from major international markets and prohibitive transit transport costs. The high transport costs for the landlocked developing countries reflected the additional costs entailed by the inadequate development of their infrastructure, the need to maintain a higher level of inventories and larger storage facilities, greater delays at ports or border crossings and the maintenance of alternative routes for cases of emergency.

50. The liberalization and globalization of the economy had been a key element in the economic changes witnessed in the 1990s. The landlocked developing countries were in a very disadvantaged position, owing to their high transport costs and poor trade facilitation environment, which eroded their competitive edge and increased the risk of further marginalization. According to UNCTAD estimates, the landlocked developing countries devoted about 18 per cent of their export earnings to the payment of transport and insurance services, while the average for developing and developed countries stood at 8.7 and 4 per cent, respectively.

51. At a time when tariff barriers and quantitative restrictions were being drastically reduced, the international community should turn its attention urgently to that grave situation, since statistics showed that trade transaction costs were greater barriers than tariffs to the external trade and economic growth of the landlocked developing countries.

52. The reduction of high transport costs not only required action within the frontiers of the landlocked developing countries, but also depended heavily on improvements in the transport policy of neighbouring transit countries. Close cooperation between landlocked countries and their neighbouring developing countries was necessary not only to devise harmonized transit documents and procedures but also to coordinate international support for improving the efficiency of transit transport infrastructure.

53. It was noteworthy that the Fourth Meeting of Governmental Experts from Landlocked and Transit Developing Countries and Representatives of Donor Countries and Financial and Development Institutions (A/54/529) had adopted conclusions and practical recommendations aimed at reducing physical and non-physical bottlenecks so as to ensure an efficient transit trade. Those conclusions and recommendations had been endorsed by the Trade and Development Board at its forty-sixth session. It was significant that the Meeting of Governmental Experts had considered it necessary to convene a ministerial meeting to give further impetus to the development of an efficient transit transport system in both landlocked and transit developing countries.

54. After paying tribute to the work UNCTAD had been doing in promoting specific actions to deal with the problems and needs of the group of landlocked developing countries and in mobilizing and coordinating international support for those countries, he noted that the group supported the effort of the Special Coordinator for Least Developed, Landlocked and Island Developing Countries to revitalize activities in favour of landlocked developing countries. In that context, the Office of the Special Coordinator should be further strengthened with the necessary resources, both financial and human, to enable it to continue to carry out its mandate effectively. The least developed, landlocked and island developing countries were concerned that, on the eve of the Third United Nations Conference on the Least Developed Countries, the resources of that office had been unduly subjected to severe reductions from 38 posts in 1996-1997 to 15 in the current biennium. It was unacceptable that the work concerning landlocked developing countries currently depended on extrabudgetary resources.

55. It was of particular concern that the decision taken by the General Assembly in its resolution 52/183 of 18 December 1997 to staff and equip adequately the Office of the Special Coordinator so as to allow it to implement effectively its mandate to support the landlocked developing countries remained unfulfilled. He reiterated that the Office of the Special Coordinator should be provided with sufficient regular budget resources to deal with the problems facing those countries.

56. UNCTAD had developed important technical assistance programmes for improving the competitiveness of exports, reducing the costs of imports and, in general, facilitating trade. The Automated System of Customs Data Entry, Control and Management (ASYCUDA) and the Advance Cargo Information System (ACIS) were particularly relevant to landlocked and transit developing countries. He therefore urged the UNCTAD secretariat and the donor countries to give priority attention to the needs of those countries in implementing its technical cooperation programmes.

57. In an increasingly globalized economy, trade remained an important source of financing for the growth of the developing countries, including the landlocked developing countries. Because of their high transport costs, the landlocked developing countries continued to see their import bills increase and their exports become less competitive. At a time when sources of financing for development were being

sought, the problems and special needs of landlocked developing countries should be effectively addressed.

58. **Mr. Niculescu** (Romania) said that Romania, together with other members of the Central European Free Trade Area (CEFTA), had submitted a working paper to the third WTO Ministerial Conference containing elements for the ministerial declaration on the launching of a new round of multilateral trade negotiations and another three documents on agriculture, instruments for trade safeguards and regional trade agreements.

59. The new round, which would be concluded within three years, should meet the concerns of all participants, establish a balance between their rights and duties and focus on further liberalization and expansion of international trade for the benefit of all WTO members, taking into account the interests and needs of the developing countries and those with economies in transition. It should also be aimed at strengthening the World Trade Organization's capacity to respond to the challenges of a rapidly changing global economic environment, and at consolidating its cooperation with other organizations with a view to improving the coherence of trade, monetary and financial policies and global economic management. The negotiations should be based on the following principles: the final outcome should take the form of a "single undertaking", implying that all participants should adopt the results as a whole; the special and differential treatment of developing countries should be effectively implemented; the synergy between trade liberalization, environmental protection and economic development should be preserved; and transparency should be maintained.

60. The objectives and themes of the tenth session of UNCTAD were complementary and compatible with the activities to be undertaken as a result of the decisions taken at the WTO Ministerial Conference. The tenth session of UNCTAD provided an opportunity for the international community to build upon a possible consensus on the strategies to be pursued to improve the management of globalization so that it would benefit all countries, developed and developing alike.

61. The policies adopted by the international community should promote stability and rapid growth in the developing world. The UNCTAD meeting should therefore not only take stock of past and recent initiatives in the sphere of development, but also examine policies designed to facilitate the integration of developing and transition countries into the world economy. It was in that context that the UNCTAD call for a positive trade agenda should be understood, a message that was shared by WTO, the World Bank and other development-oriented organizations.

62. **Mr. Holubov** (Ukraine) said that in recent years economic and trade development had been based on the interaction between globalization and liberalization, on the one hand, and the interdependence of national economies on the other. The lessons learned from various financial crises showed that globalization must be controlled so as to avoid its unpredictable consequences, and the international community should therefore renew the global financial architecture.

63. In view of the endemic payments difficulties facing many developing countries and economies in transition and the limited benefits from the Uruguay Round, the third WTO Ministerial Conference should focus, among other things, on market access in areas where those countries already had, or could quickly establish, a competitive advantage. Those countries should be given the opportunity to participate in the millennium round of multilateral trade negotiations, so that the results would be more balanced.

64. His delegation welcomed the willingness of the members of the European Union to speed up the process of the nominated countries' accession to WTO. It was intolerable to use pressure on the countries seeking to join WTO and impose on them different obligations from those undertaken by the original member States. WTO should play a decisive role in the development of an international trade system that would ensure worldwide economic growth. To that end, all countries in the process of accession to WTO must be integrated into the multilateral trade system. Such integration was a priority of Ukraine's foreign trade policy; although his country was well aware of the difficulties involved in adapting its national legislation to the relevant requirements of WTO, it was taking steps towards making its economy more open, transparent and integrated into the global economic environment.

65. Ukraine was continuing to expand its trade relations with the Central European States and reinstating the presence of its products in Latin America and Africa. It was also working on forming a

free trade area with the European Union and promoting competition between foreign and domestic products.

66. The tenth session of UNCTAD, which would address the issue of globalization as an instrument for the development of all countries and peoples of the world marked another landmark. His delegation considered that the session should identify priorities in the four areas of its activity, as had been set out in Midrand, and continue its support of the efforts of all interested countries to become fully integrated into the multilateral trading system. UNCTAD should provide assistance to those countries to enable them to participate more actively in the WTO negotiations.

67. **Mr. Ghebre-Medhin** (United Nations Development Fund for Women) said that the fact that women were the poorest of the world's poor was due to gender bias. The situation had been exacerbated by the transformations resulting from trade liberalization, rapid technological change and environmental degradation.

68. To address that problem, the United Nations Development Fund for Women (UNIFEM) had set up a framework of protection for women aimed at strengthening their economic capacity, encouraging their management and leadership abilities, promoting their human rights and eliminating all forms of violence against them. The economic empowerment of women was a key strategy in fighting poverty; in that context, one of the main activities of UNIFEM was engendering trade policies and agreements by implementing interrelated activities at the global, regional, institutional and local level.

69. At the world and regional level, UNIFEM was working with countries and governmental agencies, together with regional and interregional bodies, to minimize the threats to women and maximize their opportunities. One example of that effort was the Southern Cone regional seminar, which had been convened to examine the impact of the establishment of MERCOSUR on women. In Africa, UNIFEM had provided technical assistance to the Intergovernmental Authority on Development (IGAD) for a trade policy harmonization workshop for businesswomen from the IGAD countries.

70. At the institutional level, UNIFEM support was aimed at ensuring that intermediary institutions took into account gender issues so that policy statements of benefit to women were translated into action, to show that a gender bias existed in those institutions, and to build the capacity of women's organizations to enable them to seize the opportunities arising from globalization and trade liberalization. UNIFEM was also providing support to businesswomen's associations in various regions. In Asia, it supported the establishment of the South Asian Network of Women Entrepreneurs, which assisted women to gain access to markets and technology centres and to organize around economic activities. In cooperation with various information networks, a pilot project had been set up in support of associations of women entrepreneurs to demonstrate how women running small enterprises in various regions could use information and communications technology to benefit from the economic opportunities offered by globalization.

71. At the local level, the UNIFEM strategy focused on pilot income-generating projects. In West Africa, UNIFEM had provided support to the shea butter production project in Burkina Faso, with highly satisfactory results. Not only had the product begun to be marketed, but the Turner Foundation for the United Nations had approved a grant for the project.

72. In addition to its usual work for the benefit of women, UNIFEM would continue to collect gender-sensitive data to help build the baseline information on the impact of trade agreements on women's lives and would offer training workshops to trade unions and workers' association on their labour and economic rights.

73. As part of its plan to strengthen its partnership with UNCTAD, UNIFEM would participate in the tenth session of UNCTAD by holding an exhibition and seminars on gender and trade. UNIFEM wished to renew its commitment to incorporate a gender perspective into trade agreements and build women's economic capacity.

74. **Mr. Huang Xueqi** (China) said that the globalization of the economy and trade liberalization had been an uneven process, since the developing countries had not reaped the expected benefits from it, and, moreover, it had increased the risk of marginalizing the least developed countries. The international community should therefore channel and direct the process so that all countries would enjoy equal benefits.

75. To that end, the currently unworkable international financial system should be converted into

a rational and sound system, and the multilateral trading system should be reformed in order to make it equitable, secure, non-discriminatory and predictable. International trade negotiations should take into account the interests of all countries at different levels of development and should ensure that the policy goals and liberalization model of the developing countries were not compromised. In addition to those reforms, and with a view to changing the existing situation, cooperation should be promoted between the United Nations system, WTO and the Bretton Woods institutions.

76. At the same time, existing international economic relationships must be adjusted. The developed countries, as the biggest beneficiaries of globalization and liberalization, needed to shoulder more international responsibilities and obligations to pave the way for the developing countries to participate actively in the process and fully integrate into the global economy. His delegation appealed to the developed countries to fulfil in earnest their commitments under the Uruguay Round agreements and provide better and more stable market access to the developing countries' products and services. Similarly, they should increase official development assistance, alleviate the debt burden and take steps to ensure that the developing countries gained more benefits from the globalization and liberalization process.

77. The third WTO Ministerial Conference and the tenth session of UNCTAD would have an extensive impact on the future development of the global economy and trade. The WTO Conference should give new impetus to trade liberalization. Although no consensus had been reached on the Conference agenda, his delegation believed that it should be a broad agenda that reflected the concerns of all parties in a balanced manner and was focused on the implementation of the Uruguay Round agreements, particularly those on textiles and clothing.

78. His delegation endorsed the idea that the new round of multilateral trade negotiations should focus on development, which was the real end being pursued, whereas liberalization was but the means. Liberalization could not be pushed while at the same time neglecting the national and global security of the economy. In addition, more attention should be given to the developing countries' interests, and more sectors and products that represented those countries' competitive advantages should be included.

79. By definition, UNCTAD was the ideal body to deal with all those issues, and his delegation hoped that, at its tenth session, it would adapt to the new realities and reinforce its role and effectiveness within the United Nations system. To ensure the success of the tenth session of UNCTAD, all parties should support its Preparatory Committee. In its field of activities, UNCTAD should continue to provide guidance to the developing countries and help them formulate appropriate agendas in all its spheres of competence.

80. For years, China had been actively promoting a domestic process of reform and opening up. China wished to join WTO as a developing country and do so with a sound balance between its interests and obligations. His delegation hoped that certain WTO members would withdraw their exorbitant demands on China and allow it to become a member of WTO by undertaking obligations that were compatible with its own level of economic development and similar to those undertaken by other developing countries. China's entry into WTO would make the multilateral trading system a more complete and balanced one.

81. **Ms. Puntsagnorov** (Mongolia), after associating herself with the statement made by Guyana on behalf of the Group of 77 and China, said that international trade had become the main engine of economic growth. However, recent crises in some developing countries had contributed to the slowdown of world trade. The downward trend in some commodity prices had severely hurt countries like Mongolia whose income depended to a large extent on a few export items.

82. Globalization and liberalization affected countries unevenly. The Uruguay Round and its implementation had done little to improve market access for developing countries' exports of goods and services, and owing to their weaker human and institutional capacities and a lack of financing, many developing countries had been unable to use the WTO system to pursue their trade interests. The business community in many developing countries still did not have a clear idea as to how the multilateral trading system could serve its interests.

83. Although technical, health and safety standards and regulations were legitimate tools, there was a risk that they would be used to discriminate against developing countries' exports, since those countries could not always meet the requirements of the importing markets and their export opportunities were therefore reduced.

84. Many developing countries, in particular the group of landlocked developing countries, had been unable to take advantage of the opportunities offered by liberalization and globalization. UNCTAD was trying to focus the international community's attention on the problems of those countries. Data showed that the landlocked developing countries spent 17.7 per cent of their export earnings on transport services, compared with an average of 8.7 per cent for developing countries as a whole. Her delegation called on UNCTAD to reinforce its activities in that field and address those problems in the preparatory process for the tenth session of UNCTAD and in the decisions taken at the session.

85. Cooperation between landlocked developing countries and their transit neighbours, together with donor countries and international organizations, should be established at all levels and in all relevant sectors. Special attention should be given to implementing the measures outlined in the Global Framework for Transit Transport Cooperation between Landlocked and Transit Developing Countries and the Donor Community, and the parties should address the obstacles to the implementation of the Framework and other recommendations made at the tripartite meetings. In that regard, her delegation suggested holding regular meetings to explore, among other things, ways and means of strengthening such cooperation. In addition, her delegation supported the proposal to convene a ministerial meeting on transit transport issues to give the needed emphasis to the problems of that group of countries. In the end, all parties would gain from an increased flow of trade. Her delegation looked forward to the subregional transit transport negotiations to be held between Mongolia and its immediate neighbours.

86. In order to establish the bases for new multilateral negotiations, the current international trading system should be examined to identify the shortcomings of the Uruguay Round agreements and their implementation. Tariff levels were still high for many exports from developing countries.

87. Her delegation supported the countries wishing to accede to the WTO agreements and hoped that the pending accession processes would be completed expeditiously. She also reaffirmed the important role of trade and expressed the view that, with proper management, globalization could benefit all countries equitably and have a minimal negative impact.

88. **Mr. Kondo** (Japan) said that economic growth benefited the developing countries and enhanced the stability and prosperity of all countries. UNCTAD should therefore facilitate dialogue on the full range of economic development issues, from trade and investment to debt and finance.

89. Globalization had given an enormous impetus to trade, while innovations in information technology had increased economic efficiency. Unfortunately, globalization had not benefited all countries. Some had lost industries and workers to other countries and had delayed their industrialization because they did not receive sufficient investment from abroad. Moreover, instantaneous transfers of large sums of capital, made possible by advances in communications technology, could lead to instability in the world economy. Although it was clear that globalization could lead to increases in the efficiency of trade and other activities, it could also widen the gap between rich and poor countries. Every forum dealing with the issue, including WTO, should therefore give it serious consideration. The international community should promote the brighter side and mitigate the darker side of globalization in the interest of world stability.

90. UNCTAD should address all those issues. It should consider ways to bridge the gap between rich and poor countries through human capacity-building and industrial structural reform. Institutions should be encouraged to focus on providing countries with the technology they needed to carry out industrial restructuring and promoting the financing of small and medium-sized industries. The rules governing competition in domestic markets should also apply to world markets. New kinds of transactions such as those made possible by electronic commerce should be regulated so as to maximize their advantages and minimize their adverse effects.

91. Moreover, special attention should be paid to geographically disadvantaged developing countries. His delegation therefore welcomed the outcome of the special session of the General Assembly on the sustainable development of small island States and of the Fourth Meeting of Government Experts from Landlocked and Transit Developing Countries and Representatives of Donor Countries and Financial and Development Institutions. His Government would bear all those issues in mind when it participated in the preparatory process for the tenth session of UNCTAD.

92. **Mr. Kazykhanov** (Kazakhstan) said he supported the statement made by the representative of the Lao People's Democratic Republic on behalf of the group of landlocked developing countries. He commended United Nations efforts to identify ways to help that group of countries overcome the obstacles they faced as a result of their geographical situation. UNCTAD should continue drawing the international community's attention to the problems of those countries.

93. Kazakhstan and other landlocked Central Asian States and their transit neighbours were making efforts to solve their transport and transit problems by signing various agreements. Although UNCTAD provided them with financial assistance and advisory services, his delegation felt that the economic development efforts of the landlocked developing countries and their transit neighbours required more support from the international community. His Government would continue its endeavours to establish a transport network that could be integrated into the world transport system, to modernize its railways, roads, ports and airports and to improve the management of transport and communications systems. To that end, it had taken steps to encourage the involvement of the private sector, which had helped to improve transport operations and the quality of services. Kazakhstan wished to strengthen its cooperation with the United Nations and its specialized agencies to develop its transit environment.

94. His delegation attached great importance to the conclusions and recommendations of the Fourth Meeting of Government Experts from Landlocked and Transit Developing Countries and Representatives of Donor Countries and Financial and Development Institutions (A/54/529), which had made a contribution to the analysis of those countries' problems.

95. Like most landlocked countries, Kazakhstan was facing serious economic problems that impeded its participation in international trade and limited its income. His delegation therefore called on the international community to support the harmonious integration of the landlocked developing countries and their transit neighbours into the world economy and their participation in global trade. There was no doubt that such support would help to improve the international economic environment and strengthen global economic stability.

96. **Ms. Wensley** (Australia), speaking on behalf of the Cairns Group, composed of 15 agricultural countries (Argentina, Australia, Brazil, Canada, Chile, Colombia, Fiji, Indonesia, New Zealand, Paraguay, Philippines, South Africa, Thailand and Uruguay) and also on behalf of Bolivia, Costa Rica and Guatemala, which aligned themselves with her statement, said that the Cairns Group wished to remind all WTO members of their commitment, under the WTO Agreement on Agriculture, to a fundamental reform leading to the establishment of a fair and market-oriented agricultural trading system. The Group would ensure that the forthcoming WTO negotiations resulted in trade in agriculture taking place on the same basis as trade in other goods through, inter alia, the elimination of export subsidies and trade-distorting domestic support and the introduction of substantial improvements in market access.

97. Despite the progress achieved on the basis of the Uruguay Round, international trade in food and other agricultural products remained subject to profound and costly distortions and continued to be hampered by market access barriers. In the countries of the Organisation for Economic Cooperation and Development (OECD), agricultural tariffs continued to be much higher than those for other products, with some tariff peaks reaching 800 per cent. Permitted support levels also remained very large. In the case of OECD, the total support to agriculture in 1998 was even greater than when the Uruguay Round began. Even after the full implementation of Uruguay Round commitments, some countries would still have the right to subsidize exports of agricultural commodities.

98. The problem of the huge subsidies and high levels of protection that set agriculture apart from other sectors must be remedied, since there was no justification for such discrimination against agriculture in the world trading system. The Cairns Group found it unacceptable that the most efficient agricultural producers were penalized while barriers to non-agricultural trade were eliminated or reduced to a minimum.

99. Some members of WTO had suggested that the "multifunctional" objectives of agriculture, including rural employment and the landscape, justified maintaining the high levels of agricultural protectionism. Just as it would be unacceptable to introduce "multifunctionality" in WTO for manufacturing and services, there was no justification

to apply it to agriculture. Those objectives should not be used as a smokescreen for protectionist agricultural policies, which perpetuated poverty, hunger and environmental degradation.

100. For much of the developing world, agriculture was the foundation of economic growth, and agricultural trade liberalization would allow developing countries to respond to market forces and take advantage of new income-generating opportunities, both domestically and internationally, without the burden of competition from heavily subsidized products. Reform of the agricultural trading system would also improve the developing countries' ability to attract foreign investment into their agricultural sectors and expand their opportunities to gain access to new technologies. It would also enhance food security by allowing those countries to obtain more reliable global sources of supply without being affected by other countries' distorting trade policies.

101. Liberalization should enable the developing countries' economic development needs, including technical assistance, to be met. Export restrictions must not be allowed to disrupt the supply of food to world markets, in particular to net food-importing developing countries. The next round of negotiations must result in concrete special and differential treatment provisions for the developing countries, including the least developed and small States, to enable them to address issues fundamental to their economic development, including the need to realize their agricultural potential, secure their fair share of world trade, commensurate with the needs of their economic development, and address their non-trade concerns, such as food security, rural development and poverty alleviation.

102. By the end of the next round of negotiations, to be launched in December at the WTO Ministerial Conference, nearly 20 years would have passed since the world had committed itself to fundamental reform. The developed countries must accept their responsibility to ensure that the task of liberalizing trade in agriculture was completed in those negotiations so that the global benefits of agricultural trade reform, particularly for developing countries, could be realized.

103. **Mr. Hosseini** (Observer for the Organization of the Islamic Conference) said that the globalization of the economy, which should have produced an increase in trade opportunities, foreign direct investment flows, technological skills and market access, had, however, led to the marginalization of developing countries, especially the least developed among them.

104. The developing countries, including members of the Organization of the Islamic Conference, were facing three main problems. First, the implementation of the Uruguay Round agreements had not improved market access for developing countries' exports of goods and services. Second, the new WTO rules did not correspond with the agreed special and differential treatment for the developing countries in a number of important areas, such as protection of intellectual property rights and the use of industrial subsidies. Third, weaker human and institutional capacities and a lack of financing had not permitted many developing countries to use the WTO system, in particular its dispute settlement mechanism, to pursue their own trade interests.

105. Studies conducted by UNCTAD showed that there was no clear concept of how to make effective use of WTO as a means of increasing exports. In that regard, the Organization of the Islamic Conference welcomed the UNCTAD initiative of organizing orientation workshops in a number of developing countries to help solve that problem.

106. The disparity between the tariffs on commodities and those on finished products continued to hamper diversification and industrialization in the developing countries. As a result of the tariff inequity, the developing countries' exports were concentrated on the raw and semi-finished stages of processing.

107. The twenty-fifth session of the Islamic Conference of Foreign Ministers, held in March 1998 in Doha, Qatar, had stressed that the members of the Organization of the Islamic Conference had to coordinate their efforts in order to enhance the effectiveness of their participation in the global economic decision-making process and in WTO. It had also agreed on the need for strict control of the implementation of the Uruguay Round agreements and considered the possibility of setting up programmes to assist member States to face the challenges arising from globalization.

108. On the eve of the forthcoming WTO Ministerial Conference, the Organization of the Islamic Conference, its subsidiary organs and specialized and affiliated institutions, especially the Islamic

Development Bank, the Islamic Centre for the Development of Trade and the Islamic Chamber of Commerce and Industry, remained committed to working closely with UNCTAD and other relevant United Nations bodies in a collective effort to facilitate more effective participation of its member States in WTO.

109. **Ms. Khan-Cummings** (Trinidad and Tobago), after endorsing the statement made by Guyana on behalf of the Group of 77 and China, said that the next WTO meeting, at which a new round of trade negotiations would be launched, would provide an important opportunity to decide on a trade agenda for the future. As noted in the Secretary-General's report on international trade and development (A/54/304), the Uruguay Round did not sufficiently improve access to the developing countries' exports of goods and services, since many of the measures that were to have been put in place had yet to be realized. Implementation of the commitments made with regard to agriculture, textiles and clothing must be given priority. The enhancement of the Caribbean Basin Initiative between the United States of America and the Caribbean, which aimed to strengthen partnerships in the textile and apparel industry, was therefore a positive step.

110. Future multilateral trade negotiation agendas should include issues that had been agreed on the basis of the development priorities and concerns of developing countries. The issue of special and differential treatment for developing countries in WTO, an especially relevant one for small island developing States that faced particular disadvantages as a result of the policies of the international community, should be revisited. Those countries should receive flexible, special and differential treatment to help them deal with the realities of globalization in keeping with the development strategies they sought to pursue. States should not be requested to meet arbitrary time requirements unrelated to their individual needs or economic performance.

111. Making the multilateral trading system universal should be a major objective of the new negotiations, to ensure progress towards an open, free system in which benefits were equitably distributed. Guaranteed access to markets for the exports of developing countries would enable them to achieve sustained levels of economic growth.

112. The international community should continue to give attention to the links between trade, finance and development. Financial assistance remained an important element in developing national capacity and improving trading relationships. WTO rules must be taken into account by international financial institutions when macroeconomic programmes for individual countries were being designed. A flexible application of a broader set of criteria was needed to ensure that small States qualified for special and differential treatment in trade and development assistance in order to promote economic sustainability and long-term growth.

113. Capacity-building to assist small island developing countries in trade-related activities was of great importance. It was critical to establish programmes for that purpose, provide technical support to strengthen infrastructure and institutions, engage in trade negotiations and conduct research on barriers to developing countries' exports.

114. Her delegation shared the view that the tenth session of UNCTAD and the eighth session of the Commission on Sustainable Development should promote a balanced approach to the trade debate through an integrated examination of linkages between trade, investment, technology, finance, the environment and sustainable development. A mutually supportive international environment was needed to complement initiatives taken by the small island developing States to facilitate their integration into the global economy.

115. **Mr. Murat** (Haiti), after expressing support for the statement made by Guyana on behalf of the Group of 77 and China, said that the need to find a mechanism that would allow for reconciling growth and development had long been of concern to the international community and to his Government, which had inherited a disastrous economic situation. After the years of embargo, it had chosen a strategy of stabilization, growth and integration into the international trading system through the implementation of a programme geared to promoting the role of the private sector, encouraging domestic and foreign investment and promoting exports, especially non-traditional ones.

116. In recent years, Haiti had taken steps to liberalize its economy, including the considerable reduction of some tariffs, the consolidation of others and the elimination of various restrictive legal provisions.

However, the benefits had not yet been felt, owing to the financial crisis, above all, and the inability of local firms to compete at the global level. His delegation therefore called for the establishment of an international system that was more favourable to the small economies. While rejecting the forms of protectionism that hampered free trade, his Government believed that, in the case of the developing countries, the sudden elimination of certain trade prerogatives could have negative and at times irreversible consequences for the environment and for the efforts being made to eradicate poverty.

117. Although some of the concerns of the least developed countries had been taken into account in the Final Act of the Uruguay Round, its implementation had not contributed sufficiently to opening markets to the exports of most developing countries, especially the least developed among them. Weakness in human resources and a lack of raw materials had meant that many countries could not take maximum advantage of the mechanisms provided by the agreement in order to defend their common interests. Moreover, the small economies, especially the least developed, were being forced to spend resources to comply with the requirements of notification, ensure the implementation of agreements and participate in WTO activities.

118. The purpose of the Seattle negotiations was to liberalize trade even further. Clearly, the least developed countries would not benefit from that opening if complementary steps were not taken to help them build their capacity, especially with regard to access to information, distribution channels, technology and capital flows.

119. With regard to the market for services, his delegation felt that the developing countries, especially the least developed countries, would be competitive only when the developed countries agreed to eliminate the hurdles between the free circulation of persons, especially those who provided services. In the negotiations on agriculture, it was to be hoped that the idea of food security would have an important place. The situation of the net food-importing countries should be given special consideration.

120. It was important to recall that realizing the goals of development would be one of the great challenges facing the international community in the next century, and that the collapse of the economy of one group of countries would do nothing at all to promote the growth of world trade; the international community therefore had a moral obligation to support the developing countries' efforts in the field of world trade, which would, moreover, have a positive impact on the strategic interests of all countries.

The meeting rose at 6.10 p.m.